

**MINUTES**

**MONTANA SENATE  
56th LEGISLATURE - REGULAR SESSION  
COMMITTEE ON STATE ADMINISTRATION**

**Call to Order:** By **CHAIRMAN MACK COLE**, on January 28, 1999 at  
10:00 A.M., in Room 331 Capitol.

**ROLL CALL**

**Members Present:**

Sen. Mack Cole, Chairman (R)  
Sen. Don Hargrove, Vice Chairman (R)  
Sen. Jon Tester (D)  
Sen. Jack Wells (R)  
Sen. Bill Wilson (D)

**Members Excused:** None.

**Members Absent:** None.

**Staff Present:** Keri Burkhardt, Committee Secretary  
David Niss, Legislative Branch

**Please Note:** These are summary minutes. Testimony and  
discussion are paraphrased and condensed.

**Committee Business Summary:**

Hearing(s) & Date(s) Posted: SB 256, 1/21/1999  
Executive Action: None.

**HEARING ON SB 256**

**Sponsor:** SEN. LORENTS GROSFIELD, SD 13, Big Timber

**Proponents:** Will Kissinger, Montana Department of Agriculture  
Mike Volesky, Montana Association of Conservation  
Districts  
John Mundinger, Montana Stockgrowers Association,  
Montana Association of State Grazing Districts  
Beth Baker, Department of Justice

**Opponents:** None.

**Opening Statement by Sponsor:**

**{Tape : 1; Side : A; Approx. Time: 10:08; Comments : Tape started}**

**SEN. LORENTS GROSFIELD, SD 13, Big Timber,** advised that **SB 256** makes changes regarding fees in response to CI-75. He explained that the concept of this bill is approved by the select committee on CI-75 but the bill itself is not approved by the committee primarily because it does not have a contingent provision. Term limits were voted in due to the frustration of the people on tax issues. The frustration also caused the passing of CI-75. A contingent provision was not placed on **SB 256** because if the Supreme Court nullifies CI-75 the voter frustration will still need to be addressed. He introduced a copy of CI-75

**EXHIBIT (sts22a01).** He pointed out the sentiment of the people in **EXHIBIT (sts22a02).** He explained that the fees addressed in **SB 256** are the fees set by state agencies. Under this bill, all fees are set at the amount set on Nov. 3, 1998. In essence, the bill requires all desired increases in local fees to be placed on a ballot and voted on by the people. He said that he doesn't want to send all fees to the ballots but that state agencies are given too much authority to set fees and the legislature must respond to the people's frustration.

**Proponents' Testimony:**

**Will Kissinger, Montana Department of Agriculture,** suggested an amendment, **EXHIBIT (sts22a03),** regarding State Grain Laboratory fees. The fees assessed by the State Grain Laboratory should be exempt. He explained that CI-75 exempts fees that are paid voluntarily and in competitive situations. He added that the revenues received by the laboratory are from fees received by each grain sample, voluntarily sent to the laboratory. On the issue of competitiveness, producers and developers can send their samples to other labs.

**{Tape : 1; Side : A; Approx. Time: 10:29}**

**Mike Volesky, Montana Association of Conservation District,** said that he supports the bill with an amendment. He added that his amendment concerned fees that the conservation district is allowed to levy. He referenced Section 278. He said that many fees do not fall under CI-75 because they are always fluctuating. They rent out equipment and provide workshops for adults and youth. These are voluntary fees.

**John Munding, Montana Stockgrower Association,** offered another amendment to Section 370, Subsection 2. State grazing districts

are established by statute, defined specifically as non profit cooperative organizations. They are not a subdivision of the state, therefore do not apply.

**Beth Baker, Department of Justice**, offered an amendment **EXHIBIT (sts22a04)**. The agency needs to collect an initial fee as well as the actual cost of the review. Various reviews fluctuate greatly in cost to the Department. Some reviews require outside consultants, economists, and lawyers and the outside parties, being reviewed, must be responsible for those costs. Most changes in the fees are relative. The initial fee should be submitted for a vote if they should need to raise it, but the fluctuating costs should not be a ballot. She doesn't think that the bill will effect the existing rules that are in place. Her amendment deals with the inconsistency of language in the bill.

*{Tape : 1; Side : A; Approx. Time: 10:43}*

**Questions from Committee Members and Responses:**

**SEN. JACK WELLS**, asked **SEN. GROSFIELD** to explain how initial fee plus an ongoing cost applies. **SEN. GROSFIELD** said that his understanding of CI-75 was that if there is an increase in fee, initially or on going, it applies. **SEN. WELLS** asked what the percentage was of fixed fees and ongoing cost fees. **SEN. GROSFIELD** estimated 50 percent are state fees. He added that he did not know the percentage of the fixed and ongoing fees.

**SEN. DON HARGROVE** asked **SEN. GROSFIELD** to expand on substitute ways to respond to the frustration of the voters.

*{Tape : 1; Side : B; Approx. Time: 10:48}*

**SEN. GROSFIELD** answered that the voters understand that some fees are too small to be on the ballot and people may be comfortable to tying them into a "costs" category, but fees relating to annexation, subdivision, and reclassification of property, from taxable property to tax exempt property, should be voted on. He added that describing specific fees in statute may not be possible. He added that they must take action towards the voters' concerns. **SEN. HARGROVE** asked for some advise concerning policy decisions and implementation, for this bill, in order to achieve an outcome demanded by the people if CI-75 is declared unconstitutional. **SEN. GROSFIELD** said that it would take a lot of work but that they needed to respond if the court doesn't pass CI-75.

**SEN. JON TESTER** asked if **SEN. GROSFIELD** anticipated the need to set the fees back to where they were before Nov. 3, if the people

decide they don't want CI-75. **SEN. GROSFIELD** said that in that circumstance the fees would be set where they are in the bill, as of Nov.3, 1998. He added that he has a bill to be placed on the ballot that repeals CI-75. He has another bill that would revise CI-75 so that it is more workable. The problem is that it will be 2 years before that will happen and the issues must be addressed in the meantime. **SEN. TESTER** said that **SB 256** takes the authority away from state agencies and gives it to the people, and asked if his intent was to give the authority to the legislature. **SEN. GROSFIELD** answered that it was one possibility but not with every issue.

**SEN. MAC COLE** asked **SEN. GROSFIELD** if he would elaborate on other bills that focus on fees. **SEN. GROSFIELD** explained that there are a variety of bills that deal with specific fees but they do not focus on overall fees. **SEN. COLE** asked him to further explain his request to hold action until the Supreme Court has made a decision on CI-75. **SEN. GROSFIELD** explained that once a decision has been reached by the Supreme Court, the task of the legislature will be better defined. He added that he is looking at Feb. 20 for an indication of their decision.

*{Tape : 1; Side : B; Approx. Time : 11:03}*

Closing by Sponsor:

**SEN. GROSFIELD** added that after the courts make a decision many amendments will be offered. He reiterated that they must respond to the people's frustration. He handed out **EXHIBIT(sts22a05)**.

*{Tape : 1; Side : B; Approx. Time : 11:05-11:07; Comments : Tape off while room clears}*

Discussion on SB 228:

**SEN. HARGROVE** introduced some policy decisions to be addressed for **SB 228 EXHIBIT(sts22a06)**. He asked **Angela Fultz, Chief Deputy, Secretary of State**, if a Fiscal Note could be provided once the dates for elections are decided. She answered that it would still be difficult to estimate without knowing the size of the election.

**SEN. HARGROVE** said that the reason the bill does not have an unfunded mandate is that the voters imposed it on themselves but there will be a considerable cost to the state and counties. **Angela Fultz** added that under the law any cost greater than 1/10th of a mill must have funds provided by the legislature. Also, the state must share the cost of the election plus the full cost of the voters' information packet. She informed the

committee that a calendar would be provided, to show election dates as they are now and how changing them will effect various entities, the next day at the informational meeting.

**ADJOURNMENT**

Adjournment: 11:22 A.M.

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SEN. MACK COLE, Chairman

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KERI BURKHARDT, Secretary

MC/KB

**EXHIBIT (sts22aad)**